THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council-

NIC 8897-82 3 November 1982

MEMORANDUM FOR THE RECORD

SUBJECT: IG Meeting on Reassessment of US Role in the International Atomic Energy Agency (IAEA), 2 November 1982.

- 1. <u>US Very Sincere About Reassessment</u>. UnderSecretary R. Kennedy opened the meeting at State* by saying that the US hasn't fully succeeded in conveying the message that its walkout of the IAEA on 24 September 1982 is a very serious matter. He noted that the British were finally getting the message as they had been told recently that the US would not attend the IAEA's meeting on technical assistance at the end of this month. The core issue is not rejection of Israeli credentials, rather it is an "attitudinal problem"--one-half of the present IAEA membership represents countries that aren't as interested in potential uses of nuclear energy as are the original, like-minded group of countries that put together the IAEA twenty-five years ago.
- 2. <u>US Needs to Keep Control</u>. Deputy Secretary K. Davis (DOE) said that the objective should be to get the IAEA to do its job "right" because of a lack of alternatives. US long-term objectives should include the retention of control by supplier countries over the development and implementation of safeguards—the US cannot allow other countries to take control. Kennedy said that IAEA Director General Blix needed to make a statement acknowledging the need to improve the IAEA and that he would welcome US assistance in this endeavor. Blix needed to comport himself in ways that didn't encourage the formation of voting blocs and had to help change the destructive tactics of the Third World countries. (Kennedy stated that the US had not succeeded in getting the job of IAEA Budget Officer because Blix "wanted to call all the shots.")

*Attended by NIO/AL H. Heymann,	(OGI), and myself.	
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3. More Explicit Goals Needed. M. Guhin (NSC Staff) said that it was necessary to list four or five commitments that need to be extracted that will be important in improving the IAEA's safeguards system. He didn't get a "warm and wet feeling" that the proposed short-term measures (e.g., the IAEA will conduct itself in the future according to established procedures, and "politicization" has to be eliminated) will produce the desired changes. Kennedy said that, in the end, we may want the SecState, instead of the President, to make the statement about what is vital for the continuance of the US role in the IAEA.

4. Next Steps:

- -- DOE will provide a draft paper outlining steps that need to be taken by the IAEA and how important these are to the US.
- -- A small drafting group (State/IO, State/OES, DOE, and ACDA) will use the DOE paper and the State/OES strategy paper to compose a consensus paper for review at the next IG meeting.
- -- State/IO will propose steps to be taken at the UN General Assembly to (a) get across the sincereness of the US reassessment, and (b) solicit ideas for strengthening the IAEA.

CIA will review the IAEA voting record of the Gr	roup
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cc: DCI

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P. Dickson, OGI

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